

Assembly Bill No. 1935

CHAPTER 324

An act to add and repeal Article 8.5 (commencing with Section 18797) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 26, 2008. Filed with
Secretary of State September 26, 2008.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1935, Fuller. Taxpayer contributions: California Ovarian Cancer Research Fund.

Existing law, relating to the administration of personal income taxes, authorizes individual taxpayers to contribute amounts in excess of their tax liability for the support of specified funds or accounts.

This bill would additionally allow taxpayers to designate on their tax returns, that a specified amount in excess of their tax liability be transferred to the California Ovarian Cancer Research Fund, which would be created by this bill. This bill would provide that all moneys contributed to the fund pursuant to these provisions, upon appropriation by the Legislature, be allocated to the Franchise Tax Board and the Controller for reimbursement of costs, as provided, and to the University of California for the support of ovarian cancer research, as provided.

This bill would provide that these voluntary contribution provisions are repealed on either January 1 of the 5th taxable year following the taxable year the fund first appears on the personal income tax return, or on January 1 of an earlier calendar year, if the Franchise Tax Board estimates that the annual contribution amount will be less than \$250,000, or an adjusted amount for subsequent taxable years.

The people of the State of California do enact as follows:

SECTION 1. Article 8.5 (commencing with Section 18797) is added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, to read:

Article 8.5. California Ovarian Cancer Research Fund

18797. The Legislature finds and declares all of the following:

(a) Ovarian cancer is a devastating health condition that will affect one out of 50 American women during their lifetimes. Ovarian cancer accounts for 4 percent of all cancers among women, and ranks fifth as a cause of

death for women with cancer. There are approximately 25,000 new cases and over 16,000 deaths each year caused by ovarian cancer. The death rate for this disease has not changed much in the last 50 years. Unfortunately, almost 70 percent of women with the common epithelial ovarian cancer are not diagnosed until the disease is advanced in stage. The five-year survival rate for these women is only 15 to 20 percent.

(b) There is no known cause, cure, or prevention at this time for ovarian cancer. Women are encouraged to listen to their bodies by heeding the following early warning signs:

(1) Unexplained change in bowel habits or bladder habits, including constipation, urinary frequency, and incontinence.

(2) Gastrointestinal upset, including gas, indigestion, or nausea.

(3) Unexplained weight loss or weight gain.

(4) Pelvic or abdominal pain or discomfort.

(5) Pelvic or abdominal bloating or swelling.

(6) A constant feeling of fullness.

(7) Fatigue.

(8) Abnormal or postmenopausal bleeding.

(9) Pain during intercourse.

(c) The state of ovarian cancer screening must be dramatically improved to identify tumors.

(d) It is the intent of the Legislature, in enacting this article, to establish a systematic program to conduct research regarding the cause, cure, and prevention of ovarian cancer. The outcome of this research may have direct effects on and consequences for the development of a comprehensive system that may identify the cause of, means of preventing, and a cure for, ovarian cancer, as well as improving the screening, diagnosis, and treatment of victims of ovarian cancer. This program shall award grants to eligible physicians, hospitals, laboratories, educational institutions, and other organizations and persons for the purpose of enabling those entities and persons to conduct research.

18797.1. For the purpose of this article, “research” shall include, but not be limited to, expenditures to develop and advance the understanding, techniques, and methods effective in the prevention, cure, screening, and treatment of ovarian cancer.

18797.2. (a) Any individual may designate on the tax return that a contribution in excess of the tax liability, if any, be made to the California Ovarian Cancer Research Fund, pursuant to Section 18797.3.

(b) The contributions shall be in full dollar amounts and may be made individually by each signatory on a joint return.

(c) A designation under subdivision (a) shall be made for any taxable year on the individual return for that taxable year, and once made shall be irrevocable. In the event that payments and credits reported on the return, together with any other credits associated with the individual’s account, do not exceed the individual’s liability, the return shall be treated as though no designation has been made.

(d) The Franchise Tax Board shall revise the forms of the return to include a space labeled the “California Ovarian Cancer Research Fund” to allow for the designation permitted under subdivision (a). The forms shall also include in the instructions information that the contribution may be in the amount of one dollar (\$1) or more and that the contribution shall be used to conduct research relating to the cure, screening, and treatment of ovarian cancer.

(e) Notwithstanding any other provision of law, a voluntary contribution designation for the California Ovarian Cancer Research Fund may not be added to the tax return until another voluntary contribution is removed.

(f) A deduction shall be allowed under Article 6 (commencing with Section 17201) of Chapter 3 of Part 10 for any contribution made pursuant to subdivision (a).

18797.3. There is hereby established in the State Treasury the California Ovarian Cancer Research Fund to receive contributions made pursuant to Section 18797.2. The Franchise Tax Board shall notify the Controller of both the amount of money paid by taxpayers in excess of their tax liability and the amount of refund money which taxpayers have designated pursuant to Section 18797.2 to be transferred to the California Ovarian Cancer Research Fund. The Controller shall transfer from the Personal Income Tax Fund to the California Ovarian Cancer Research Fund an amount not in excess of the sum of the amounts designated by individuals pursuant to Section 18797.2 for payment into that fund.

18797.4. All money transferred to the California Ovarian Cancer Research Fund, upon appropriation by the Legislature, shall be allocated as follows:

(a) To the Franchise Tax Board and the Controller for reimbursement of all costs incurred by the Franchise Tax Board and the Controller in connection with their duties under this article.

(b) To the University of California for the support of ovarian cancer research. The University of California may use up to 5 percent of the money allocated to it for costs associated with administering the ovarian cancer research program.

18797.5. (a) Except as otherwise provided in subdivision (b), this article shall remain in effect only until January 1 of the fifth taxable year following the first appearance of the California Ovarian Cancer Research Fund on the personal income tax return, and as of that date is repealed, unless a later enacted statute, that is enacted before the applicable date, deletes or extends that date.

(b) (1) By September 1 of the second calendar year, and by September 1 of each subsequent calendar year that the California Ovarian Cancer Research Fund appears on a tax return, the Franchise Tax Board shall do all of the following:

(A) Determine the minimum contribution amount required to be received during the next calendar year for the fund to appear on the tax return for the taxable year that includes that next calendar year.

(B) Provide written notification to the University of California of the amount determined in subparagraph (A).

(C) Determine whether the amount of contributions estimated to be received during the calendar year will equal or exceed the minimum contribution amount determined by the Franchise Tax Board for the calendar year pursuant to subparagraph (A). The Franchise Tax Board shall estimate the amount of contributions to be received by using the actual amounts received and an estimate of the contributions that will be received by the end of that calendar year.

(2) If the Franchise Tax Board determines that the amount of contributions estimated to be received during a calendar year will not at least equal the minimum contribution amount for the calendar year, this article is repealed with respect to taxable years beginning on or after January 1 of that calendar year.

(3) For purposes of this section, the minimum contribution amount for a calendar year means two hundred fifty thousand dollars (\$250,000) for the second calendar year after the first appearance of the California Ovarian Cancer Research Fund on the personal income tax return or the adjusted minimum contribution amount adjusted pursuant to subdivision (c).

(c) For each calendar year, beginning with the third calendar year after the first appearance of the California Ovarian Cancer Research Fund on the personal income tax return, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum contribution amount specified in subdivision (b) as follows:

(1) The minimum estimated contribution amount for the calendar year shall be an amount equal to the product of the minimum estimated contribution amount for the calendar year multiplied by the inflation factor adjustment as specified in subparagraph (A) of paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

(2) The inflation factor adjustment used for the calendar year shall be based on the figures for the percentage change in the California Consumer Price Index received on or before August 1 of the calendar year pursuant to paragraph (1) of subdivision (h) of Section 17041.

(d) Notwithstanding the repeal of this article, any contribution amounts designated pursuant to this article prior to its repeal shall continue to be transferred and disbursed in accordance with this article as in effect immediately prior to that repeal.